

December 23, 2013

PRESENT: Richard Nichols, Chairman  
Michael Pierce, Vice-Chairman  
Philip Bean, Selectman  
Mary-Louise Woolsey, Selectman  
Michael Plouffe, Selectman  
Frederick Welch, Town Manager

#### SALUTE TO THE FLAG

Chairman Nichols suggested that they bring the item under Old Business in regards membership in the Rockingham Planning Commission forward immediately following the appointment of Michael Schwotzer.

#### I. Public Comment Period (2:07)

Arthur Moody, 3 Thomsen Road, made comments as follows: seawall work discussed last week; concerns with leases on Town portion of this land; seems like opening a bag of worms here; beach raking at Sun Valley and status of working this out with Seabrook.

Richard A. Ballou, 9 Birch Road, Mr. Ballou read the warrant article petition of Victor R. DeMarco, and Richard A. Ballou for the donation of \$25,000 to the "FISHER HOUSE FOUNDATION INC.". The Fisher House program is a unique private-public partnership that supports America's military families. The foundation builds and donates "Comfort Homes" on the grounds of major Military and VA Medical Centers. These homes enable family members to be close to loved ones at the most stressful time, during hospitalizations for an unexpected illness, disease or injury. The American Institute of philanthropy (Now referred as Charity Watch) rated The Fisher Foundation "A+" with 96% of every dollar received used directly to build the homes.

#### II. Announcements and Community Calendar (10:56)

Selectman Bean wished the Board and Mr. Welch a Merry Christmas. To those serving our Town this holiday season and are standing guard and on duty he thanks them and hopes they have an easy day away from their families.

Selectman Woolsey thanked Unitil for being proactive with the weather warnings that we had. She also reminded everyone about the notices they can receive in regards to non-emergency notices and the trash schedule for the next two holiday weeks. There will be a new collection schedule starting in January.

Chairman Nichols mentioned a notice from Comcast in regards to price increases, which he shared with the public.

### III. Appointments 15:08

#### 1. Michael Schwotzer

##### a. Review of November Financial Statements

Mr. Schwotzer discussed the following items under revenue: dealing with the month of November; total income was \$315.7k; motor vehicles equaled \$164k which is \$49k below budget and \$53k behind November a year ago; on a year-to-date basis, it is 7.2% above target and \$109k ahead of 2012 which ended the year 3% above budget; other contributors include Interest on taxes @ \$10k, Building Permits @ \$15k, Departmental @ \$40k, Parking Lots @ \$(24)k – correcting prior month overbooking, Franchise Fees @ \$61k and Real Estate Trust @ \$41k.

Mr. Schwotzer discussed the following items under the expense portion: at end of November operating department (without debt service) were 88.5% of the budget, which is 3.2% below the month's target of 91.7%; this spread then being annualized/modified results in the YE estimated "Savings" being under expended by \$415k; the comparative November 2012 estimate was \$297k or \$118k less; noted that the calculation contains approx. \$197k of proposed YE encumbrances from the "Big 3"; expect this level of under expenditure to be reduced during the last month of the year but to stay above the ending 2012 figure of \$137k; Personnel Admin: the Employee Separation and Buy-Back Program accounts are under expended by a net of \$142.6k, the BOS will need to determine if this amount will be sent to the Trustees of the Trust Fund as this year's addition to Compensated Leave Trust in keeping with prior years; in Municipal Insurance once the final Health Insurance payment is made that account will be over by approximately \$50k, however an end of year adjustment/credit of \$39k has been received from Workman's Comp which when combined with under expenditures in other insurance accounts should result in the department being under by an estimated \$51k; PD continues to run below budget 2.3%; FD continues to run significantly below budget 5.4%; Public Works – Highways & Streets is within budget overall but has specific accounts that are over the 100% budget, big unknown is the snow account; Sanitation division is also within the budget overall, however the Transfer Station continues to be a problem currently at 103.4%; Cable Committee Franchise Fees (second half of 2012 and the first three quarters of 2013 booked to date is greater than YTD expenditures by \$23.9k, from this a check in the amount of \$13.3k will be cut in December to reimburse SAU 90 for its purchases of equipment; EMS - a purchase order has been issued for the purchase of the new replacement ambulance.

Selectman Pierce asked Mr. Schwotzer about the check being cut to the SAU and the requirement of them agreeing to the terms set; Mr. Schwotzer stated the check to the SAU has been cut and is in the hands of legal.

Selectman Woolsey spoke on: revenue under Building Inspection Permits becoming a good source of revenue; Rooms & Meals Tax still expected to come in; Parking Lot revenues are excellent; Real Estate Trust income being sent monthly; still seeing 2012 encumbrances commented specifically on the one for the Town Clerks Office.

A detailed discussion on encumbrances of departments and how they are recorded in report, they are numbers that do not change.

Chairman Nichols spoke on the revenue from Building Permits and compared this line item to previous years 2012, 2009 and 2007 and how it has increased; Parking Lot revenues at \$526,000 compared to \$423,000 in 2012.

b. RSA 32:10 Transfers (27:52)

Mr. Schwotzer explained the following to the Board: talking about Board of Selectmen granting permission for specific line items [MS-7 line items] understanding that potentially they are going to go over budget and granting them permission to have monies coming in; because of are reporting we do not have to designate specifically where the money is coming from; he has 3 candidates right now, they are Executive line item, Emergency Management already over and Patriotic Purposes is also already over; analysis he did of highways and municipal he looked at it in the gross, the gross together should be \$26k in the positive; some line items in DPW will go over, but may not go over in total.

Chairman Nichols commented on: will need a motion from the Board; Executive is a maybe depending on codebook; others are going to go over; numbers are very small.

Chairman Nichols MOTIONED that they authorize exceeding the authorized spending limit of a combination of 2012 encumbrances and 2013 budget for the Emergency Management, Patriotic Purposes and selected lines within the DPW providing that DPW overall the collection of all the MS-7 accounts comes in under its overall budget as Mike as indicated it would SECONED by Selectman Pierce.

Selectman Pierce asked about Planning and Mr. Schwotzer explained it includes grants, which do not count in this situation. Mr. Schwotzer explained why in detail and pointed out that if you take out the grant line item Planning comes in under budget. Chairman Nichols pointed out that this is written into the RSA.

Selectman Woolsey commented that she is opposed to this motion; Selectmen have the latitude to spend the budget within the confines of their authority; wants the Budget Committee along with others to see where the lines have gone over and where they have gone under; this is artificially fooling with the budget and is absolutely opposed to this.

Mr. Schwotzer responded that he agrees with Selectman Woolsey; because of the RSA where they report monthly which is exactly what she is talking about they do not have to designate exactly where the money is coming from; so therefore he does not change the budget; does not change the reporting; they will see exactly what she is requesting which is the over and under of each line item; the motion gives the authorization but they will see next month that Emergency Management is over by \$976. There was an additional discussion on why the motion is needed. Chairman Nichols shared the legal opinion they received earlier in December regarding the MS-7.

VOTE: 4(Nichols, Pierce, Plouffe, Bean)-0-1(Woolsey)

c. Year-end Forecast (35:26)

Mr. Schwotzer made the following comments: at end of November they have \$414,450 estimated difference; looked today at the current open PO's and the total was \$173,000; this report shows open PO's of \$151,000; there is a \$21,000 increase in PO's so reduces amount of forecast; now forecast is \$393,000.

Chairman Nichols asked about the \$21,000 increase and if it is unrelated to the \$197,000 in PO's requested by the Departments. Mr. Schwotzer confirmed this to be true.

Employee Separation: there are two accounts - employee separation cost and bank buyback program; when adding the two, \$142,000 of money available to be put to the Trustees of the Trust Funds and reduce the open liability we have there; if this is done the amount available for year-end "savings" drops to about \$250,000; would write a journal entry putting this into an IOU, which allows them to pull the journal entry at a later date if they feel they are coming to close; Trustees of the Trust Funds are aware of this; will come next week with a motion allowing him to make the journal entry.

Chairman Nichols asked in rough terms what is the liability and Mr. Schwotzer believes it to be right around \$1.2M. Mr. Schwotzer explained how this is only helping the future. There was a discussion on when the fund was started and how there is only around \$200,000 in the fund.

Selectman Woolsey asked if the fund is set up like a capital reserve and it is accruing interest.

Selectman Woolsey MOTIONED to approve the journal entry to move \$142,607 to the Trustees of the Trust Funds for the Compensated Leave Trust Fund SECONDED by Selectman Pierce.

VOTE: 5-0-0

d. Year-end Spending and Encumbrances (42:18)

i. Departmental Encumbrances (42:21)

Mr. Schwotzer discussed the following: presented to Board in Financial statements; Department Heads put forward list; PD put forward \$30,000; FD put forward \$40,000; DPW put forward \$125,000; has worked these through and recommends to allow the departments to cut PO's for the specific projects listed in their memos; this will build the open PO's; in essence this has already been worked into the year-end "savings" number.

Selectman Woolsey MOTIONED to encumber the amounts of \$30,150 in Police, \$40,926 in Fire and \$125,583 in DPW for a total of \$196,659 SECONDED by Chairman Nichols.

Selectman Pierce confirmed with Mr. Schwotzer that the amount being encumbered has already been subtracted prior to coming up with YE "savings" amount. He also commented on need to be careful since the \$250,000 in YE "savings" is not a lot when you are spending \$2M a month. Selectman Pierce was under the impression that the Board was going to go through the list of encumbrances and decide which ones were going to be approved.

There was a discussion on the amount for Fire and Mr. Schwotzer believes it should be \$40,926 based on money needed for protective equipment.

Selectman Woolsey stated that they draft an annual budget, we have surrendered \$750,000 to overlay the tax rate setting; when you plan a budget the taxpayers expect you to expend that budget; if you do not the Budget Committee asks why you spend "X" but requested "Y"; only logical that at the end of the year you have a pretty good idea where you are going that is the time to pick up the items needed; without overspending of course.

Selectman Pierce thinks that spending is ok but you do not need to spend down to the last penny.

Chairman Nichols stated that this is reasonable since this total request is less than 1% of budget; going over budget is not an option; this is why you leave things on the back burner until the end of the year; there is communication and transparency associated with this and how discussions began in October; he is comfortable with this list.

Selectman Pierce is ok with Police and Fire but not ok with Public Works Department.

Mr. Schwotzer pointed out that there is another \$62,000 in grants that has not been included here.

Selectman Pierce AMENDED MOTION to approve the \$50,527 for DPW as opposed to \$125,484. Amended motion failed for lack of a second.

Chairman Nichols stated that this could be amended at next week's meeting as long as no PO's have gone out.

VOTE: 4(Plouffe, Nichols, Bean, Woolsey)-1(Pierce)-0

ii. Code of Ordinance Update – General Code (54:29)

Mr. Schwotzer commented that we have received an estimate for this on 12/17 come up to close to \$20,000; therefore that is the amount they are asking for.

Selectman Woolsey MOTIONED to encumber the amount of \$20,000 for the update of the Code of Ordinances SECONDED by Chairman Nichols.

Chairman Nichols agrees they have to have this ability to access the Town's ordinances and policies; research he did on other communities and how it appears that Portsmouth does this on a regular basis; some communities go with a quarterly update others annually; we are a little out of whack being 2 or 3 years behind; has a concern with using the general code company and wonders if this is the best way to do this. Mr. Welch explained: that this was investigated back in 2009 and went through a long process of who they should go with and why; this company is being used by other communities in the area; some communities do it themselves but they have the staff to do this; General Code was the cheapest and worked the best with us; product will be in word so it can be revised by us; this will bring all of the codes that we have up to date. There was a discussion on cost of \$5,000 to keep this up to date annually and this cost will be added to Town Manager's account.

Selectman Pierce asked about questions in the document and Mr. Welch addressed them.

VOTE: 5-0-0

Chairman Nichols added in regards to all the encumbrances approved tonight it is his assumption that with the approval of this year-end spending departments will not be over running their budgets. Mr. Welch commented that the encumbrances will be held to ensure this does not happen.

e. Default Budget Adjustments (1:03:17)

Mr. Schwotzer spoke on the Default Budget approved by Board in the amount of \$25,686,799; adding merit pay in the amount of \$17,666 which is the effect in 2014 of the non-union raises given in 2013; will do a journal entry next year to place this in the appropriate wage lines.

Chairman Nichols pointed out that how they are handling these non-union increases is not out of the ordinary.

The second item Mr. Schwotzer spoke on was the liability and general insurance and compared quotes to budget and therefore can adjust this line item; health insurance increased by \$10,600; workers compensation is also coming down; change in Library health; new amount is \$25,614,509.

Selectman Woolsey MOTIONED to approve the Default Budget in the amount of \$25,614,509 SECONDED by Chairman Nichols.

Chairman Nichols questioned if there is anything else that is dynamic that might change this amount, and Mr. Schwotzer does not believe there is anything.

Selectman Pierce has a problem since they are spending money that was not approved by the legislative body to put in the Default Budget. Chairman Nichols thinks this is an interesting point and is not sure how you would get around this. Mr. Schwotzer pointed out that the raises were budgeted in the Merit Pay line item of the budget. Selectman Pierce added that the amount was not the full amount budgeted. Chairman Nichols stated that the amount being discussed is \$3,000 over the Merit Pay line item.

VOTE: 4(Plouffe, Nichols, Bean, Woolsey)-1(Pierce)-0

Chairman Nichols and Mr. Schwotzer discussed some other questions he had in particular one related to private detail billings, and more detail information on the companies, which Mr. Schwotzer will look into and get back to the Board.

Selectman Bean spoke on email problem he is having; the emails received from residents down on Ice House and services they would like to keep such as trash pick-up; 2000 audited statement; hefty increases over time; how solid waste has only increased by \$1,500 a month according to these audited statements; constantly like to talk about the expense; would like line data going back to 2000 in regards to the three line items related to waste collection.

Selectman Woolsey commented that he is referring to private roads and not commercial. She did express the concern with private roads is related to liability issue.

#### 4. Rockingham Planning Commission Membership (1:18:20)

Cliff Sinnott, Executive Director made comments as follows: introduced other members here with him tonight who represent Hampton's representation on the commission; things reported in the paper that were not accurate; nature of the organization and how Hampton relates to the organization; created under State statute; vote taken at Town meeting and how commissioners are appointed; how commissioners are representatives of the community; 26 Town's in this commission; commissioners direct the staff; voluntary involvement; why is Hampton taking part in this since they have a staff; if paying dues what is Hampton getting for it; sent a letter summarizing the things they have been involved with in regards to Hampton; if have a Planner why does Hampton need this commission; majority of communities have Planning Staff and still a part of the commission; look around the region to see what others are getting from the commission; provided some specific examples with Portsmouth, Exeter and Stratham; updating of master plan; things Hampton has asked them to do in the last few years include specialized mapping work, Safe Routes to school program;

Planning Board asked for affordable housing ordinance; downtown advisor committee; work done with HBAC including traffic study.

Mark Olson, Chair of Planning Board made comments as follows: appreciate Board allowing Cliff to come in and share the importance of the Town's continued involvement with this Commission; not really sure where this came from; how he was brought to RPC a few weeks ago and found out about how this Board was discussing terminating the relationship with RPC; City of Salem is the only community in the area who is not a member; issues that they wrestle with that no-one in this community can address; like to maintain control and these folks are here to provide input and coddle us through the process; these folks are here to help us and Hampton needs the help.

Chairman Nichols commented: thinks that it is the Planning Board and Planning Department that have the majority of the interfacing with RPC; watched portion of the Planning Board meeting in regards to this and how it was unanimous decision that they want to be involved with RPC.

Mr. Welch commented: that they work with the RPC all the time; he serves on one of the committees; working on buses here in Town, resources provided by RPC.

Selectman Woolsey has gained more insight into this since being the Board representative to the Planning Board: problem with letter sent to DOT in regards to Rte. 1 corridor; grant given for Hampton center district study; presentation of warrant article was very sloppy in regards to Rte. 1; expects a more professional presentation; concerns with where all the money is coming from for all this planning; frustrated with what she is seeing and not sure where the money is coming from for all these ideas.

Mr. Sinnott pointed out that they sit on the committee but the presentation in regards to Rte. 1 came from the firm hired by the Planning Board. He also commented on the Rte. 1 study and its purpose.

Selectman Pierce commented on: intermodal study; ton of money to put down to do this work; Winnacunnet intersection is part of Hampton history; if going to tamper with history let's not make it worse; grants are out there whether RPC is involved or not; thinks they do some wonderful things; if don't pay dues can we still get some of the services. Mr. Sinnott pointed out that the Winnacunnet Road intersection was not RPC's idea they only helped to get the grant money.

Selectman Bean applauds Board for bringing up this issue but does not want to step on another Board's toes. He made some suggestions to Mr. Sinnott in regards to the RPC website.

Chairman Nichols believes most of the interface is between Planning Board and Planner and looks to them to make those kinds of decisions.

Selectman Woolsey thinks there needs to be a better line of communication.

Selectman Pierce asked about the warrant article and the Board's authority to approve or disapprove involvement in the RPC.

There was an additional discussion on the Rte. 1 study and possible warrant article.

#### IV. Approval of Minutes (1:50:36)

1. December 09, 2013

Page 1, last sentence change “re-prod cast” to “re-broadcast”

Pages 2, 1st paragraph after Approval of Minutes remove the word “gifting”.

Page 4, 6<sup>th</sup> paragraph change “23M” to “185,000”

Chairman Nichols MOTIONED to approve the December 09, 2013 minutes as amended  
SECONDED by Selectman Pierce.

VOTE: 4-1(Woolsey)-0

2. December 16, 2013 Non-public

Selectman Woolsey MOTIONED to approve the December 16, 2013 non-public minutes  
SECONDED by Selectman Pierce.

VOTE: 4-0-0(Selectman Bean did not vote)

V. Town Manager’s Report (1:54:53)

1. Work continues on the Church Street Pump Station. The electrical generator and transformer have been placed in the building. Stairwell work continues with reinforcing and concrete having been placed. Electrical work continues with the installation of lighting and heating for the toilet room. HVAC systems are being installed and ceiling installations are progressing.
2. In response to the Boards direction, I have forwarded to the Police, Fire and Public Works Departments a proposed codification of the parking requirements for Route 1A from High Street to Church Street for review and connect before presenting the results to the Board for consideration.
3. We will need to keep a close eye on HB 1110, that if passed would disallow Towns from using sales of properties for the purpose of adjusting values without reappraisal on a more town wide basis. Mr. Welch explained this item in detail for the Board and the exact effect it has on Hampton. Chairman Nichols also provided some insight into this bill and more facts on how the Town currently handles sales of property.
4. The Winnacunnet High School has confirmed our use of the building for deliberative session on February 1<sup>st</sup> and the Annual Town Election on March 11<sup>th</sup>
5. In accordance with a directive from the Board, an estimate for the work of bring the codebook up to date has been received and provided to the Board.
6. Everyone please have a wonderful family Christmas

Mr. Welch added the following items to his report: received from students at Hampton Academy some cards thanking Public Works and Town employees; good news going to receive some money from Health Trust \$51,373.31 which reflects a refund of surplus; received a Thank You card from Victor Demarco for thinking of him during his recovery.

Selectman Woolsey commented on the very nice presentations on Channel 13 from the students at Winnacunnet.

VI. Old Business (2:03:57)

1. 2014 Warrant Articles (2:04:20)



Chairman Nichols pointed out a notation made by Kristina in regards to a date, which a warrant article has been finished by the Board. Chairman Nichols made comments on the following dates: Budget has a completion date of 12/16 and that needs to be changed since the budget has not been finalized yet; SEA warrant article is not complete yet since still waiting on the language; discussion on who the author is of the CBA articles and it is a combination of Legal and Finance; DPW equipment replacement does not have a date but believes it can be marked completed but Atty. Gearreald pointed out some language changes in regards to trade-in value and consulting DRA; Road Improvement complete as of 12/23; verified looking at being complete by the Board and grammatical changes may still be made by Atty. Gearreald; can eliminate Article 31 Reserve; 79E besides moving this article order it is done so a date of 12/23.

Chairman Nichols would like to see the language for the CBA's that have been ratified by next week.

Articles Board agreed were final as of tonight's meeting include: Article 15 Grist Mill; Article 16 Culvert amount has been updated; Article 19 Social Services Family Services has been removed along with Cross Roads (Mr. Welch provided an update on what is happening with this agency).

#### Article 21 Recreation

Chairman Nichols commented: that they have received some information on this article; amount is \$90,000 broken down as \$80,000 for lights at Eaton Park and \$10,000 for signs; what happened to item C related to fencing; cannot see himself voting for \$80,000 to replace 4 lights; message needs to go back to Dyana asking for a detailed estimate on work.

#### Article 22 Recreation

Chairman Nichols pointed out that we now have an estimate of \$10,000 as opposed to the original \$30,000. If this makes sense to the Board why not approve this as part of year-end spending. The Board agreed to scratch this article and look into putting this in with year-end spending.

#### Article 26 Wastewater System Entrance Fee

Atty. Gearreald commented that Fred has been kind enough to put the information together from their meetings and will be getting it to the Board.

Chairman Nichols asked if the Board could get a copy of these updates by tomorrow so they can get questions and comments back prior to Friday.

#### Article 27 Solid Waste Ordinance Amendments

Atty. Gearreald commented that this is still being worked on; the amendments still have to be put together and may not be ready for Monday.

Chairman Nichols if it is not available by Monday the Board should have a copy by Tuesday or Wednesday.

#### Article 23 Cemetery Burial Trust Fund

Mr. Welch pointed out that the only thing that needs to be done here is the amount.

#### Article 33 Entertainment

Chairman Nichols would like some time to go over some of his ideas with legal after receiving input from the public hearing last week.

Selectman Pierce wonders if these are big changes or just small items. Chairman Nichols commented that they are related to outside entertainment and he needs some time to put his thoughts together on this.

2. Ratification Union Tentative Agreements (2:24:28)  
a. Police Patrolman and Police Sergeants

Selectman Woolsey MOTIONED to Ratify the Union Tentative Agreements of the Police Patrolman and Police Sergeants SECONDED by Chairman Nichols.

Chairman Nichols read a statement in regards to the agreement they have reached. Some of the highlights include: 2 year agreement; cost about \$80,000 for 2014 and \$150,000 for 2015; wage increase across 1 ¼% increase each year; addition steps made to wage schedule; new employees will contribute 25% and 20% for health insurance depending on plan; line of duty benefit for Part Time employees increased to \$40,000.

VOTE: 5-0-0

3. Effective Date 2014 Non-union Wage Adjustments (2:27:03)

Atty. Gearreald commented: that not all Board members have seen this; might want to hold off on this item; meeting he had with Selectman Woolsey and Chairman Nichols; policy in regards to non-union raises; trying to combine both authority of Town Manager and Board of Selectman; motions that were drafted as a result of this.

Selectman Woolsey MOTIONED that, in the matter of non-union employee annual merit/COLA raises, we set an effective date of April 01 in each year. This will assure budgetary and payroll consistency. No retroactive raises will be allowed without the specific consent of a majority of the Board of Selectmen. An interim salary increase for an individual employee will likewise only be allowed with the specific consent of a majority of the Board of Selectmen. The Personnel Policy shall be amended effective December 23, 2013 to reflect this policy SECONDED by Chairman Nichols.

Chairman Nichols commented on items that they discussed during their meeting such as why they picked April 1<sup>st</sup> and how it is in line with union contracts.

Selectman Pierce shared the importance of having a policy in place to make sure everything is in the same place.

Selectman Woolsey stated that this forces the Board to place these items in the budget during the budgetary process.

VOTE: 5-0-0

Chairman Nichols pointed out the importance of putting items such as this in the Personnel Policy.

4. Rockingham Planning Commission Membership Discussed after Appointments

VII. New Business (2:35:51)

1. Annual Report Selectmen Photo (2:35:54)

Note: Draft minutes are subject to corrections, additions and deletions.

Selectman Woolsey likes the idea of the group photo as was done in the past. The Board agreed to a group photo.

VIII. Closing Comments (2:37:23)

Selectman Pierce thanked everyone in the Town of Hampton who has been supportive of his situation over the last couple of months.

IX. Adjournment (2:37:37)

Chairman Nichols MOTIONED to adjourn at 9:38 PM SECONDED by Selectman Plouffe.

VOTE: 5-0-0

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Chairman